

Chapter 2: Membership

Chapter Overview

This chapter provides information about membership in one of the Washington State retirement systems. Refer to this chapter for:

- General information about membership
- Eligibility rules for membership in the retirement systems you report. Your handbook includes information for:
 - the Public Employees' Retirement System (PERS)
 - the School Employees' Retirement System (SERS)
 - the Teachers' Retirement System (TRS)
 - the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
 - the Washington State Patrol Retirement System (WSPRS)
 - the Judicial Retirement System (JRS)
- Cross references to relevant statutes (RCW) and rules (WAC)

The Revised Code of Washington (RCW) and the Washington Administrative Code (WAC) may be available to you through your legal advisor. A copy of the first fifty pages of a specific RCW or WAC can be ordered directly from the Office of the Code Reviser at no cost. For RCWs, call (360) 786-6777; for WACs, call (360) 786-6686. The RCWs may also be found at <http://leginfo.leg.wa.gov/pub/rcw>.

Refer to Chapter 6 for instructions on how to calculate and transmit employee and employer contributions.

Refer to Chapters 7 and 8 for information on how to report eligible employees.

See Chapter 12 for a sample of the Enrollment Form and instructions on how to complete it.

Membership and the Employee

Once an employee establishes membership in a retirement system, the employee begins to build a future retirement benefit. This benefit is funded by contributions—made by the employee, the employer, and with some systems, the state—and the investment earnings from these contributions. Except for Plan 3 member contributions, WSIB invests retirement contributions. When a member retires, money from this investment fund is used to pay the retired member a defined monthly benefit. The number of years of service credit the member has earned and the amount of the member's highest average compensation during employment determine the amount of the service retirement benefit to which a member is entitled.

Plan 3 is composed of two retirement benefit components. The defined contribution component is member financed and the defined benefit component is employer financed. Members can choose between two investment programs: the Washington State Investment Board (WSIB) Investment Program or the Self-Directed Investment Program. The defined benefit component is financed by employer contributions.

Member benefits are explained in member handbooks published by DRS. Member handbooks are available for PERS, SERS, TRS, LEOFF, WSPRS and JRS members. Each member of a retirement system should be given a copy of the appropriate handbook to help the member understand retirement rights and benefits. If you need copies of these handbooks, please contact DRS Office Services.

Membership and the Employer

Employers play a vital role in helping DRS provide retirement services to members. An employer's responsibilities include:

- making the initial determination of an employee's eligibility for membership;
- enrolling each employee who is eligible for membership;
- reporting information to DRS each month about each member;
- informing DRS when a Washington State retirement system retiree is hired;

- transmitting required employer and employee contributions to DRS each month for each member;
- maintaining documentation to support eligibility determinations; and
- periodically reviewing determinations to ensure they remain accurate.

Steps in Evaluating Membership

The following summarizes the steps to consider when evaluating an employee's eligibility for membership. This summary does not attempt to give details about membership rules for each system. Please refer to the appropriate sections later in this chapter for those details.

Step 1 Ask each new employee if he or she is a retired member of a Washington State retirement system.

A retiree's benefits may be affected by returning to work. RCW 41.50.139 (formerly in RCW 41.50.130) requires employers to ask all new employees if they are retirees of any Washington State retirement system. When employers hire a retiree they must use the form, "Retiree Returning to Work Report," to inform DRS of this occurrence. If this form is not used, the employer is liable for any pension overpayments.

Note: Please refer to the section in Chapter 5 called "Employing Retirees" for details about reporting and membership requirements for retirees.

Step 2 Ask each new employee if he or she has ever been a member of a Washington State retirement system.

If an employee has ever established membership in PERS, SERS, TRS, LEOFF, WSPRS or JRS, you may need to use different criteria when evaluating his or her current eligibility for membership. There are a number of ways DRS can help employers determine if an employee has previous membership in a retirement system. The employer can:

- contact ESS and request a file (either by tape or cartridge) with the member, system, plan (MSP) and status (active or retired) information;
- if you have an account with DIS, request access to the DRS member screens; or

- call, write or Fax ESS, PERS, SERS, TRS, LEOFF, WSPRS or JRS Retirement Services to ask if an employee has previously established membership.

Step 3 Evaluate the employee's eligibility for membership under the rules that apply for the appropriate system and plan.

Your handbook contains information on membership rules for each system in which you have members. Please read the information carefully so you can make the proper determination of the employee's eligibility for membership.

In PERS, SERS, TRS and LEOFF, an employee will be evaluated for eligibility under Plan 1, Plan 2 or Plan 3 rules. An employee, who established membership in a retirement system before October 1, 1977, should be evaluated under the rules for Plan 1. An employee, who establishes membership in a retirement system on or after October 1, 1977, should be evaluated under the rules for Plan 2. A teacher hired on or after July 1, 1996, should be evaluated under the rules for TRS Plan 3. A classified employee hired on or after September 1, 2000, should be evaluated under the rules for SERS Plan 3.

If you determine that an employee is not eligible for membership in a retirement system, document your determination and then stop with this step. If you determine that an employee is eligible for membership, complete the remaining steps.

Step 4 Determine whether the employee needs to complete an Enrollment Form.

Each employee who is eligible for membership must have a completed Enrollment Form on file at DRS. Not all employees need to complete a new form each time they begin a new position.

Who must complete an Enrollment Form:

- An employee who has never been a member of a Washington State retirement system
- An employee who has been a member of a Washington State retirement system before but is now eligible for membership in a different system
- An employee who has been elected or appointed to office and elects to participate in a Washington State retirement system

- An employee who is eligible for membership in LEOFF, WSPRS or JRS

Who does not need to complete an Enrollment Form:

- An employee who is eligible for membership in PERS and has previously established PERS membership
- An employee who is eligible for membership in SERS and has previously established SERS membership
- An employee who is eligible for membership in TRS and has previously established TRS membership

Chapter 12 provides instructions on how to complete the Enrollment Form. Before you send the form to DRS, make sure both the employee and employer portions are completed correctly. If a form has not been completed correctly, it will be sent back to you for correction.

Step 5 Report the employee on the monthly transmittal report and make payment of contributions due.

All eligible employees must be reported to DRS each month on the monthly transmittal report. The first time you report an eligible employee, be sure to report a begin date, gender code and birth date. The first time you report a Plan 3 member, you must also include a mailing address. If you are completing the first transmittal for a SERS Plan 2 or TRS Plan 2 member transferring to SER Plan 3 or TRS Plan 3, you must report the transfer date, and the member selected investment program and rate option. Refer to Chapter 8 for instructions on how to accomplish your monthly reporting.

In addition to adding the employee to your monthly transmittal report, include payment of all contributions due with your regular monthly contribution payment to DRS. Refer to Chapter 6 for details about how to calculate and pay retirement contributions that are due.

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SERS Membership

A Summary

The information in this section is provided to help you determine an employee's eligibility for membership in the School Employees Retirement System (SERS).

The actual rules that govern membership are contained in state retirement law. This handbook summarizes those rules in less legalistic terms. It is not a complete description of the law. If there are any conflicts between what is written here and state retirement law, the law will govern.

Employer Responsibilities

As the employer, you have certain responsibilities involved with enrolling and reporting retirement system members. You will want to keep the following points in mind:

- You are responsible for making the initial determination of an employee's eligibility for membership. The following pages explain the membership rules that currently apply. Review these pages carefully when making your determination.
- You are responsible for reporting all eligible employees from the first day of eligibility. (See Chapters 7 and 8 for instructions on how to report eligible employees.)
- You are responsible for documenting your decision regarding a position's eligibility. (See Chapter 12 for a sample worksheet you can use for documenting your decisions.) Your documentation will help protect you in case questions arise about a decision you have made.
- You are responsible for regularly reviewing the determinations you have made. By doing so, you can ensure that you are reporting correctly.

SERS Plan 2 and Plan 3 Membership Rules

This section outlines current rules for membership in SERS Plan 3. For prior period membership rules, see page SERS 2—19. If you have questions about SERS eligibility, please call SERS Retirement Services.

Employees in Eligible Positions Can Be Members

The primary determination of eligibility for SERS is based upon the position. An employee who worked for one month in an eligible position before quitting would be entitled to SERS membership. In SERS, there are two ways a position can be eligible. A position is eligible if:

- The position *normally* requires at least five months each *year* in which regular compensation is earned for at least 70 hours per month. [RCW 41.35.010(22), WAC 415-110-680]

As used in this definition, “normally” means a position that requires at least five months of at least 70 hours for two consecutive years. Once a position is determined to be eligible, it will continue to be eligible if it requires at least five months of 70 or more hours of compensated service during at least one year in any two-year period. [WAC 415-110-0102]

“Year” means any 12 consecutive month period established and applied consistently by an employer to evaluate the eligibility of a specific position. In the case of ongoing positions, the year used by the employer must be the same for all positions. In the case of a project or temporary position, the year used may be specific to the position. The term generally will be limited to a school year. [WAC 415-110-0108]

To determine if a position is eligible, you may find it helpful to ask the following three questions.

1. Will the position ever require 70 or more hours of compensated employment in a month?

If the answer is *no*, the position is not eligible.

If the answer is *yes*, ask question 2.

2. Will the position ever require five or more months with at least 70 hours of compensated employment per month in a 12-month period?

If the answer is *no*, the position is not eligible.

If the answer is *yes*, ask question 3.

3. Will the position normally meet this standard? That is, will the position require five months of 70 hours during each of two consecutive years?

If the answer is *no*, the position is not eligible.

If the answer is *yes*, the position is eligible.

Employees in Ineligible Positions Cannot Be Members

An employee hired into an *ineligible position* is not eligible for membership in SERS and is not to be reported on the monthly transmittal. Be sure to document that the position is ineligible. You may copy the “Position Eligibility Worksheet” in Chapter 12 to use for this purpose.

An ineligible position is one that normally *does not* require at least five months each year in which regular compensation is earned for at least 70 hours per month.

Example #1: A position requires part time work for 60 hours each month for the entire year.

Explanation: The position is *not* eligible because employment is for less than 70 hours each month.

Example #2: A position requires full time work for 3 months each year.

Explanation: The position is *not* eligible because employment is for less than five months each year.

Example #3: A new position is created that is funded for only one year and will then cease to exist. The new position will require full time work.

Explanation: The position is *not* eligible because it does not exist on an on-going basis. The position does not meet the definition of “normally.”

Exceptions to Position Eligibility

In some circumstances a Person may establish or continue membership even if he or she is employed in an ineligible position.

- A SERS member who leaves an eligible position to serve in a project position will continue in membership if the position requires at least seventy hours per month and the employee accepts the position conditioned on returning to a permanent eligible position at the completion of the project. [WAC 415-110-680(2) and WAC 415-110-0103]
- If an employee, in an ineligible position, made member contributions for at least nine months, the employee will be treated as having been in an eligible position during such period of employment. When it is discovered the position is ineligible, submit an end date on the next monthly transmittal and stop reporting the employee to DRS. [RCW 41.35.040]
- A SERS disability retiree may not establish SERS membership if employed in an eligible position unless receiving comparable compensation. [RCW 41.35.440 and 41.35.690]

Employees Working in More than One SERS-Covered Position

All work an employee performs for you in a given month must be taken into account when determining an employee’s eligibility for membership. If the employee’s combined hours of employment meet the definition of an eligible position and if this is the employee’s normal pattern of employment, the employee is eligible for SERS membership.

An employee’s eligibility for membership is based only on his or her employment with you. An employee cannot combine hours of employment in positions with separate employers to establish membership in SERS.

Example #1: An employee normally works for you for 40 hours each month as a cook and for 40 hours each month as a bus driver.

Explanation: The employee is eligible for membership. The employee works a total of 80 hours each month for at least five months each year and this is the normal pattern of employment.

Example #2: An employee normally works for you for 40 hours each month as a cook. *For one year*, the employee takes on extra duties and works 40 hours per month as a bus driver.

Explanation: The employee is *not* eligible for membership. Although the employee works 80 hours each month for five or more months during the year, this is not the normal pattern of employment.

Example #3: An employee works for you for 40 hours each month as a cook and works *for another employer* for 40 hours each month as a bus driver.

Explanation: The employee is *not* eligible for membership. The employee cannot combine the hours of employment with separate employers to establish membership.

Employees Working in Educational Staff Associate Positions

An Educational Staff Associate (ESA) is defined as an individual employed by a public school in any of the following positions:

- Communications Disorders Specialist
- Occupational Therapist
- Physical Therapist
- Reading Resource Technician
- School Counselor
- School Nurse
- School Psychologist
- School Social Worker

A person working in an ESA position in a public school must hold a certificate authorized by the State Board of Education. Although ESA positions are generally TRS eligible positions, there are instances where a person who was employed as an ESA before June 7, 1984, may have rights to SERS membership. If you are a public school employer and you hire a person who served in an ESA position before June 7, 1984, contact

SERS Retirement Services to help determine the membership options available to this member.

Employees Working in More than One Position

An employee may work for you in a position that would be covered by SERS *and* in a position that would be covered by another retirement system; e.g., TRS or LEOFF. In such a case, the employee's eligibility for membership depends upon the types of positions the employee occupies. Refer to the tables on the following pages to determine how to report these types of employees.

SERS Members

Type of Concurrent Employment ^{1/}	Type of Employer(s)	System in which to Report Member
An eligible SERS position and an ineligible TRS or substitute position	Same employer	SERS – for both positions.
	Separate TRS employers	SERS - for the SERS position only, unless member qualifies for and elects to establish membership in TRS at the end of the school year under WAC 415-112-125(1). If member elects to establish TRS membership, report member in TRS for both positions. Any previously reported service credit and compensation in SERS will be transferred to TRS.
	A TRS employer and non-TRS employer	SERS - for the SERS position only. The TRS position will not be reported unless the member elects to: 1. have the TRS service reported in SERS and receive service credit in SERS for both positions; or 2. have the TRS service reported in TRS and not receive service credit for the SERS position.

^{1/} “Concurrent” means during the same school year.

Neither TRS nor SERS Member

Type of Concurrent Employment ^{1/}	Type of Employer(s)	System in which to Report Member
An ineligible TRS and an ineligible SERS position	Same employer	TRS - for both positions if the positions, combined, qualify as an eligible position.
	Separate employers, TRS or non-TRS	Neither position reported.
A substitute teaching position and an ineligible SERS position	Same employer	Neither position reported. If the member qualifies, he or she may elect to establish membership in TRS at the end of the school year for the substitute teaching position under RCW 41.32.013 and WAC 415-112-140.
	Separate employers, TRS or non-TRS	Neither position reported. However, if the member qualifies, he/she may elect to establish membership in TRS at the end of the school year for the substitute teaching position under RCW 41.32.013 and WAC 415-112-140.

^{1/} “Concurrent” means during the same school year.

SERS or LEOFF Members

Type of Concurrent Employment	Type of Employer(s)	System in which to Report Member
Eligible SERS position and less than full time law enforcement officer or fire fighter service	Same employer	Employee is eligible for SERS membership. Report all compensation, contributions, and service (SERS + law enforcement or fire fighter service) under SERS on the monthly transmittal.
Ineligible SERS position and less than full time law enforcement officer or fire fighter service	Same employer	Employee eligible for SERS membership if the combined hours of employment meet the definition of an eligible position in SERS. If the employee is eligible, report all compensation, contributions, and service (SERS + law enforcement or fire fighter service) under SERS on the monthly transmittal.
Ineligible SERS position and full time law enforcement officer or fire fighter position	Same employer	Employee is eligible for membership in LEOFF. Report only the compensation, contributions, and service in the LEOFF position under LEOFF on the monthly transmittal. Do not report the employment in the ineligible SERS position.

SERS Disability Retirees

Type of Concurrent Employment	Type of Employer(s)	System in which to Report Member
Eligible SERS position	Any employer	<p>Employer must contact SERS Retirement Services to determine comparable compensation. If it is determined compensation compares to the compensation reported prior to the disability retirement, the employee must be reported in SERS retroactive to the first date of hire.</p> <p>Note: A SERS disability retiree who returns to work does not fall under the post-retirement employment provisions, but must be reported on the “Retiree Returning to Work Report” form.</p>

Exemptions for Persons Employed in SERS Eligible Positions

Membership is Optional for Elected and Governor-Appointed Officials

All elected positions and positions appointed directly by the Governor are eligible positions by definition [RCW 41.40.010(25)(b)]. Elected and Governor-appointed officials are exempted from SERS membership unless they elect to join. They may apply for membership at any time during their current term of office. [RCW 41.40.023(3), WAC 415-108-560]

Current or Former SERS Members

Current members of SERS may continue membership by applying and being accepted into membership for their elected or Governor-appointed service. [RCW 41.40.023(3), WAC 415-108-550(2), 415-108-560(3)]

An elected or Governor-appointed official who elects to establish membership and holds, or previously held, SERS Plan 1 membership will return to membership in SERS Plan 1 even if the member withdrew funds from his or her retirement account.

New Members

An elected or Governor-appointed official who chooses to become a retirement system member but who has not been a member before will be enrolled in SERS Plan 2.

Current or Prospective Members of TIAA/CREF are Exempted from SERS

RCW 28B.10.400 authorizes the higher education institutions to make separate retirement income plans available to their professional and academic employees instead of SERS or TRS. Currently, all Washington State higher education institutions have selected TIAA/CREF. The statute leaves it to the institutions to determine who is eligible to participate in TIAA/CREF. Except as provided below, once a higher education institution determines that an employee is eligible for TIAA/CREF, that employee is exempted from SERS membership if:

- the employee is a participating member of TIAA/CREF; or
[RCW 41.40.023(4)]

- the employee is in the TIAA/CREF “waiting period.”

A person may not participate in SERS if he or she is participating in a higher education retirement plan (TIAA/CREF).

For most higher education institutions, membership in TIAA/CREF is optional during the first two years of employment. After that, membership is mandatory.

Higher education employees eligible to opt into TIAA/CREF are exempted from SERS during the two-year “waiting period” even if they never contribute to TIAA/CREF. [RCW 41.40.023(8)]

Note: Some TIAA/CREF eligible employees may elect SERS membership. The higher education institutions have adopted rules stating eligible professional or academic employees must join TIAA/CREF. The institutions have provided an exception for new hires that have already established membership in SERS or TRS. Those employees are given the option to continue to participate in SERS or TRS. The employee defaults to TIAA/CREF unless he or she elects to continue participation in SERS or TRS.

If you encounter this situation, be sure to get a copy of the higher education institution’s rules and records. The rules can vary between institutions. For instance, the community and technical colleges allow non-vested SERS or TRS members to continue in SERS or TRS until they become vested. After becoming vested in SERS or TRS, they are allowed to transfer to TIAA/CREF.

Independent Contractors Exempted from SERS

Only an employee of a SERS employer is eligible for SERS membership. Because independent contractors are not employees, they are exempted from SERS membership. DRS applies the common law right of control test to determine if a worker is an employee or an independent contractor. Because of the complexity of the test, it is often difficult to determine if a SERSon is an independent contractor without auditing the working situation. If you have questions about determining if a SERSon is an independent contractor, contact SERS Retirement Services. [WAC 415-02-110]

Membership in Another Retirement System May Exempt a Person from SERS

Simultaneous Membership

A person generally cannot establish or continue membership in SERS if he or she, at the same time, is a participating member contributing to any retirement system operated in whole or in part administered by the state.

Retirement systems operated in whole or in part by the state include:

PERS	LEOFF
TRS	Higher education plans (TIAA/CREF)
WSPRS	Judicial
Judges	

Note: Contact SERS Retirement Services when you hire a person that indicates membership in another retirement system administered by the state or a political subdivision.

Exception: A person who is otherwise eligible may participate in SERS if he or she is simultaneously participating in:

- the Volunteer Fire Fighters' Relief and Pension Fund under RCW 41.24; or
- Retirement of Judges—Supplemental Retirement under RCW 2.14. [RCW 41.40.023(4)]

Consecutive Membership

A person may be eligible to establish SERS membership or continue to participate in SERS despite retaining service credit in another public retirement system. [RCW 41.40.023(4)], [WAC 415-108-726]

Note: This rule may not apply to persons who are retired or are eligible to retire from one of the retirement systems previously listed under "Simultaneous Membership."

Contact SERS Retirement Services if you have questions about consecutive membership.

Professional Services

If an employee earns less than 50 percent of his or her gross income from the practice of his or her profession from a SERS employer, then the person is exempted from SERS membership. The terms “profession” and “professional services” are not defined in statute or rule, but some occupations that qualify as “professions” include:

- Law
- Engineering
- Medicine
- Lobbying
- Teaching

If you encounter a person working in some occupation other than those listed above, please contact the legal unit at DRS to discuss whether the occupation qualifies as a profession.

SERS Retirees are Exempted from Membership

Effective July 1997, SERS retirees are exempted from SERS membership. Retirees will only reenter membership if they elect to do so. The option may be exercised prospectively. If a SERS retiree reenters membership, benefits stop until the member retires again.

Note: A service retiree is limited to five months of eligible employment per calendar year. If a retiree exceeds that limit, his or her retirement allowance is stopped until the retiree quits working or a new calendar year begins—whichever occurs first. A retiree who *elects* to return to membership must be reported on the monthly transmittal. Please refer to “Employing Retirees” in Chapter 5 for details about what to do if you hire a retiree.

Note: A disability retiree is not eligible to return to membership unless he or she is receiving comparable compensation as determined by DRS. There is no five-month limitation on eligible employment; the only limitation is dependent upon the compensation earned.

Questions and Answers

The following provides answers to some of the more frequently asked questions regarding membership and reporting requirements for SERS.

Questions Relating to Eligible Positions

- Q1.** A member in an eligible position takes an extended unpaid leave of absence and does not have at least five months with 70 hours or more of compensated employment in a given 12-month period. Is this individual still eligible for membership?
- A1.** Yes. An unpaid leave of absence does not affect the eligibility of a position. If the position normally requires five months of 70 hours or more of compensated employment, then the position is still eligible. The employer should continue to report the employee on the monthly transmittal using status code B.
- Q2.** An eligible position continues for more than a year without requiring the individual in that position to work at least 70 hours a month for five months or more each year. Is the individual in this position eligible for membership?
- A2.** The employer should review the requirements of the position. If this is no longer an eligible position, the employer should separate the employee from the monthly transmittal. If this is still an eligible position, the employer should continue to report the employee on the monthly transmittal.
- Q3.** An eligible position is filled with two individuals each working three hours a day. Are the individuals eligible for membership?
- A3.** Yes. Although separately the individuals do not work 70 hours a month for five months or more each year, the position requires that much work. Each of the individuals is eligible for membership and should be reported on your transmittal.

- Q4.** An employee works in an ineligible position from March 1 through November 10. On November 11, you redefine this as an eligible position. When do you begin reporting the individual in this position?
- A4.** With November's report using November 11 as the begin date. You would report all retirement information for work performed by the individual worked during November—the information for the eligible position *plus* the hours for the ineligible position. All of an employee's work each month is considered as a single position.
- Q5.** During a review, it is discovered that a position that had been defined as ineligible has actually required the employee in the position to work 70 hours or more in at least five months in each of the last two years. What will happen in this case?
- A5.** The position will be declared eligible beginning from the first month of the first year in which employment was for at least 70 hours. The employee will enter membership beginning with that month. The employer must use the monthly transmittal to report all compensation, contributions and hours of service back to the first date of eligibility.

Questions Relating to Retirees

- Q6.** A SERS retiree is hired into an eligible SERS position. The retiree begins work on March 30. Will March be counted as one of the five months of employment in that calendar year?
- A6.** Yes. The retiree earned compensation during March so this month is counted.
- Q7.** A SERS retiree is hired into an ineligible SERS position for one employer for January, February and March. The retiree quits working for that employer and is hired into an eligible SERS position for a second employer in April. Does the second employer need to consider the retiree's prior employment?
- A7.** No. The prior employment was in an ineligible position. (If the prior employment was in an eligible position, the employer would need to consider the prior three months of employment in that calendar year.)

Questions Relating to Temporaries or Classified Substitutes

- Q8.** An employee is hired as a “temporary” or as a “classified substitute” to fill in for someone who is on leave for two weeks. Is this employee eligible for membership and should he or she be reported?
- A8.** It depends. If you place this individual into the absent employee’s eligible position, he or she is eligible for membership and must be reported. If you place this individual into an ineligible position that was created to fill such a need, he or she is not eligible for membership and should not be reported.
- Q9.** An employer has created a position designed to fill temporary needs. An employee is regularly hired into this position, doing work on a short-term basis, “filling in” for employees who are absent or on leave. Should the employee in this position be reported?
- A9.** If the employer classifies and documents this work as a separate position, and if the position normally requires less than five months each year with 70 hours or more of compensated employment, then the position is ineligible and the employee should not be reported. If the employee is compensated for 70 or more hours for at least five months for two consecutive years, then the employee should be reported.

Questions Relating to Elected or Governor-Appointed Officials

- Q10.** An individual who has been in SERS is appointed by the Governor to an elective position on an interim basis. Can the individual continue SERS membership during the time in the elective position?
- A10.** Yes, but membership does not continue automatically. Upon being appointed to office, the individual must make a written application to the Director of DRS to continue membership in SERS. When the application is accepted, membership will continue without loss of service credit.

- Q11.** An individual who has been in SERS is elected to office and takes office in January. Should the individual be reported on the January transmittal?
- A11.** No. The individual must first make a written application to the Director of DRS to continue membership in SERS. When the individual has received written acceptance from the Director of DRS, he or she should then be reported on the monthly transmittal. Membership and reporting will be required retroactively to the first day of the term of office.
- Q12** A SERSon who has never been a member of SERS is appointed by the Governor to an elected position on an interim basis. Can the SERSon be reported in SERS?
- A12** Yes. Upon being appointed to office, the SERSon must make written application to the Director of DRS for SERS membership. When the SERSon receives written acceptance for membership from the Director, he or she should be reported on the SERS monthly transmittal retroactive to the first day of the appointment.

Definitions

The following definitions are given for the terms that are used in the SERS Membership section of the Employer Handbook.

Comparable Compensation refers to the compensation a disability retiree receives from an employer that makes him or her eligible to return to SERS membership when all conditions are met. DRS compares the retiree's current compensation to the compensation received prior to the disability retirement to determine comparable compensation.

Compensated employment means salaries or wages earned for hours of employment.

Eligible position is one that normally requires at least five months each year in which regular compensation is earned for at least 70 hours per month in each of two consecutive years.

Normally, as used in the definition of an eligible position, means a position that requires at least five months each year in which regular compensation is earned for at least 70 hours in each of two consecutive years. Once a position is determined to be eligible, it will continue to be eligible if it requires at least five months of 70 or more hours of compensated service during at least one year in any two-year period.

Plan 1 refers to the funding and benefit provisions covering Persons who first became members of a retirement system before October 1, 1977.

Plan 2 refers to the funding and benefit provisions covering Persons who first became members of a retirement system on or after October 1, 1977.

Position refers to a group of duties and responsibilities normally assigned to an employee. A position may be filled or vacant, full time or part time, seasonal, temporary or permanent.

Year, as used in the definition of an eligible position, means any 12 consecutive month period established, and applied consistently, by an employer to evaluate the eligibility of a specific position. In the case of ongoing positions, the year used by the employer must be the same for all positions. In the case of a project or temporary position, the year used may be specific to the position. The term may include, but is not limited to, a school year, calendar year or fiscal year. Employers should document the 12-month period used to define a year for a given position; e.g., January through December, September through August, April through March, etc.

Membership Rules for Prior Periods

The following chart provides a brief summary of the membership rules in effect for prior periods. If you need additional information about SERS eligibility rules, contact SERS Retirement Services.

Period ¹	Plan 2 and Plan 3
09/01/91 forward	<u>Eligible position:</u> Normally requires at least five months each year in which regular compensation is earned for at least <i>70 hours</i> per month.
09/01/90 through 08/31/91	<u>Eligible position:</u> Normally requires at least five months each year in which regular compensation is earned for at least <i>90 hours</i> per month.
04/01/55 through 08/31/90	<u>Eligible position:</u> Normally requires at least five <i>consecutive months</i> each year in which regular compensation is earned for at least <i>90 hours</i> per month.
03/23/65 through 06/06/90	Employee could work in an eligible position on a temporary basis <i>not to exceed six consecutive months</i> without being brought into SERS membership.

^{1/} For periods from July 23, 1989, forward, all of an employee's work each month for an employer must be considered as a single position.

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